

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**June 17, 2013**

**7:00 P.M.**

**Courthouse**

### **PUBLIC HEARING MINUTES:**

**Members Present:**

Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Robert Peay, Jr.  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy

**Others Present:**

Ernest Burgess  
Comm. Robert Stevens  
Comm. Chantho Sourinho  
Comm. Jeff Jordan  
Comm. Carol Cook  
Comm. Brad Turner

**Others Present:**

Heather Dawbarn  
Sheriff Robert Arnold  
Don Odom  
Jeff Sandvig  
Lisa Nolen  
Sonya Stephenson

Jeff Davidson, Mac Nolen, Edward Phillips, Jr., Robert Stroop, Gabe Fancher, Mark Swicord, Keith Rea, Jacob Bogle, April Harrell, Jake Robinson, Scott Lewis, Susan Beyer, Philip Beyer, Sue Lane, Susan Allen, Kathy McMahan, Tony Long, Barbara Long, Hugh Jones, Charles Redman, Derek Englett, Jeff Rainwater, Jonn Wolfe, Adam Brocks, Judy Taylor, Ashley Evett, Emily Mitchell, Sandra Muggu, Dorsey Meeks, James Page, Heather Brown, Carrie Perkins, Max Lastfogel, Sandra Neely, Barry Hudgins, James Page, Scott Broden, Elaine Short

The Budget, Finance & Investment Committee conducted a public hearing on the proposed 2013-14 budget. Chairman Ealy presided and began the public hearing at 7:00 P. M.

Chairman Ealy introduced County Mayor Ernest Burgess, Finance Director Lisa Nolen, and Deputy Finance Director Elaine Short, members of the Budget, Finance & Investment Committee, as well as other commissioners in attendance.

Chairman Ealy advised that Mayor Burgess made a recommendation on 20.84% of the budget, which included the General Fund, Solid Waste/Sanitation Fund, Ambulance Service Fund, Special Purpose Fund, Drug Control Fund, and the Industrial/Economic Development Fund. The County Mayor does not make a recommendation on the Debt Service Fund. The Budget, Finance & Investment Committee makes the recommendation on the Debt Service Fund. The Debt Service Fund comprises approximately 10% of the budget. The County Mayor does not make a recommendation on the Highway Fund. The recommendation for the Highway Fund is forwarded to the Budget Committee from the Road Board, which is an elected board. The County Mayor does not make recommendations on the General Purpose School Fund, Cafeteria Fund, or the Education Capital Projects Fund. Recommendations on these funds are forwarded from the School Board, which is also an elected board. The three school budgets make up approximately 67% of the total county budget.

The Budget and Finance Committee has spent weeks, along with input from the department heads, reviewing the proposed budget. All meetings have been televised on Channel 19. The budget proposal has been published in the newspaper. The details of all budgets can be viewed in the Finance Department. The proposal presented at the public hearing represented the work done by the Budget and Finance Committee to date.

### **FINANCE DIRECTOR PRESENTATION:**

Finance Director Lisa Nolen advised that there had been comments made as to how much cash the county had on hand, the investments and CD's.

The Finance Director explained that the Office of the County Trustee, Mr. Teb Batey, was responsible for implementing the property tax freeze and the tax relief programs. Mr. Batey's office is responsible for collecting all of the monies due to the county, investing the monies, and having it available to pay the warrants and the bills that are presented to the office. The Trustee is charged with investing the county's money wisely and conservatively. There are policies and state statutes in place that limit how the county's money can be invested.

The Finance Department is responsible for administering the budget that is adopted by the County Commission. The Finance Office is charged with reviewing the accounts and making

sure that departments do not overspend line items; as well as making sure that the budgets are spent the way it was allocated. The Finance Department also ensures compliance with the financial policies adopted by the County Commission. The Finance Department is also responsible for maintaining the county's books and records in accordance with generally accepted accounting principles. The county has adopted centralized accounting, and the Finance Department pays all of the bills and all of the salaries for the School Board, the county, and the Highway Department. The Finance Department receipts all cash along with the Trustee, and the two departments reconcile every month to make sure that the cash that has been recorded is the same as the cash that has been deposited. The Finance Department is also responsible for inventorying all of the fixed assets of the county.

The Finance Director explained that a balance sheet reflected a point in time. The balance sheet shows assets, liabilities and fund balance. The fund balance consists of components. Some of the monies received are restricted either by a legal requirement, such as money received from the courts for victim's assistance, or committed as a result of county commission action. The money received from the courts for victim's assistance can only be spent for the domestic violence program. Restricted money that is received and exceeds the expenses must be set aside and reserved in fund balance. Commitments of fund balance also include purchase orders that have been issued, the products have not been received, and the bill has not been paid, but there will be an invoice to be paid after the order has been completed.

The Finance Director advised that the focus was on the Unassigned Fund Balance. The Unassigned Fund Balance consists of revenue that has been received over the years that have exceeded the expenses. They are not restricted, and they are available to spend. When revenue exceeds expenditures, they flow into fund balance. They are not hidden, and they are discussed every year at this time, because part of the discussions in setting the budget was understanding the available balances that were being projected at the end of the current fiscal year that might be available to use next year.

The Finance Director explained assigned fund balance, such as in the Solid Waste Fund. The money that has been received is designated for a specific purpose. The Highway Fund would also be another example, and the revenue that is received is specifically for the Highway Fund.

The Finance Director gave a brief presentation regarding the 2013-14 budget advising that the Budget and Finance Committee were recommending a ten cents increase to the property tax rate with five additional cents being allocated to the County General Fund and five additional cents being allocated to the General Purpose School Fund. In addition, to help make the budget work, it was also being recommended to move 2.5 cents from the Ambulance Service Fund, .1 cent from the Highway Fund, and one cent from the Debt Service Fund for a total of 3.6 cents being transferred to the General Fund property tax rate.

The Finance Director advised that counties were different from cities in that when counties adopt a property tax rate they are specifically allocated for certain purposes. When the County Commission adopts the Appropriation Resolution and the Tax Levy Resolution, the funds become restricted revenue. They are restricted for the purpose in which the property tax is levied. The only way to change that is through the tax levy.

The Finance Director explained the proposed allocation of the property tax rate with \$1.193 (47.5%) being allocated to the General Purpose School Fund; \$ .0451 (2%) being allocated for Educational Capital Projects Fund; \$ .67 (26%) being allocated for the County General Fund; \$ .0579 (2%) being allocated for the Ambulance Service Fund; \$ .5862 (23%) being allocated for the General Debt Service Fund; and \$ .0130 (.5%) being allocated for the Highway Fund. The total proposed property tax rate was \$2.5652 per \$100 of assessed value.

The Finance Director explained that the General Debt Service Fund accounted for the county's debt. Approximately 85% of the Debt Service was for schools. The only time that the county borrows money is for building schools or other county buildings. The county's debt is amortized over 20 years. Approximately 60% of the county's current debt will be paid off in 10 years.

After setting aside 4.5% for delinquency, the proposed property tax rate of \$2.5652 was estimated to generate \$150,502,072. Counties are responsible for educating all children; therefore, because the City of Murfreesboro also has a school system, local revenue that is received for education has to be split with the Murfreesboro City School System based on average daily attendance. Of the county property tax rate that is collected, it was estimated that \$10,387,482 would go to the City of Murfreesboro. Therefore, the county does not receive all of the \$2.5652 of the property tax rate. The net amount of property tax that would be available to Rutherford County was \$140 million.

The Finance Director advised that one cent of the property tax rate would generate approximately \$586,703 for general government and \$502,805 for schools. The Finance Director explained that the property tax levy provided approximately 30% of the county's revenue, 41% of the revenue came from the state (mostly for education), 11% from other local revenues, 15% from other local taxes, and 3% from the Federal Government.

The total estimated revenue for all funds was \$460,207,943. The total estimated appropriations were \$481,558,216. This reflected a shortfall of \$21 million. The Unassigned Fund Balance was estimated at \$91 million at the end of the current year with \$21 million of that amount being used to help fund the 2013-14 budget. The County Commission has adopted a fund balance policy of a minimum of 15% for the County General Fund. This is 15% of the estimated appropriations. As presented, the General Fund reflected an estimated fund balance of 15.8%. The state requires a three percent fund balance in the General Purpose School Fund. The fund balance in the Central Cafeteria Fund has a cap, and the fund balance cannot be more than 25%. The fund balance for the Debt Service Fund is based on a calculation based upon budget contingencies, emergency contingencies, and the review of the capital plan to determine what will be required for the future.

The Finance Director reviewed highlights of the major funds advising that over half of the General Fund was budgeted for public safety followed by general operations and finance. Significant items included in the General Fund were the second phase of the Human Resource recommendation on the salary plan, which includes the expanded pay table; the elimination of three full time and two part time positions; the addition of 23.3 full time positions including 13 new SRO's and transferring three positions from the Drug Fund; increases to health insurance premiums; new vehicles for the Sheriff's Department; and reliance on the Unassigned Fund Balance of \$2.9 million. Approximately 64% of the General Fund budget funded salary and benefits.

The Finance Director advised that the General Purpose School Fund was the operating fund for the Board of Education. The total estimated appropriations were \$300,778,956. The total estimated appropriations for the Central Cafeteria Fund were \$19,089,953. The total estimated appropriations for the Education Capital Projects Fund were \$2,466,383. Significant items in the General Purpose School Fund included a seven percent increase over the 2012-13 amended budget; costs to open Stewart's Creek High School; 131.8 new positions; 1.5% increase to the base pay table; increases for insurance premiums. The proposed funding for the General Purpose School Fund included a five cents increase to the property tax rate; an increase in the sales tax revenue estimate; an increase in the state revenue; and reliance on the Unassigned Fund Balance in the amount of \$10.8 million.

School capital improvements included in the Education Capital Projects Fund included roofing projects, paving projects, window projects and sewer projects.

The estimated appropriations for the Debt Service Fund were \$50,482,817. The outstanding debt as of June 30, 2013 was \$355,495,000. The county is scheduled to pay off \$25,345,000 in principal in 2013-14. It is anticipated that the county will go to the bond market either in the fall or the spring to obtain funds to expand Blackman Middle School.

The estimated appropriations for the Highway Fund were \$9,378,799. Significant items in the Highway Fund included the expanded pay table, and a reduction of four positions.

Chairman Ealy opened up the public hearing for public comments.

**Commissioner Robert Stevens, 137 Laural Hill Drive, Smyrna, TN 37167.**

Comm. Stevens advised that his comments were being made as an outsider to the budget process. He has no conflicts of interest, no personal connections, no family members who work for the county, and he is not on the county's health insurance plan. He asked if the budget proposal was a good business decision, and if it was the best that could be offered to constituents. He stated that some of the things that he was going to talk about were controversial and needed to be worked on in the future. Health insurance, pensions, and debt brought down cities in California. If the county does not make changes to the pension system and the health insurance plan, it will be on the same track. He added up every line item in the budget proposal and for health insurance, state retirement and life insurance the total was approximately \$73 million. He stated that was unsustainable. The liabilities are continuing to mushroom. The state treasurer has said that seven local government entities have pulled out of the pension system because it was insolvent. The county will have to start showing the accrued liabilities on the balance sheet, and it will affect the bond rating. The pensions must end for all new-hires and go to a 401k like everyone else in the private sector with a four percent match. Comm. Stevens also stated that the health insurance rates that were recently adopted by the County Commission should be reconsidered. Almost 90% is paid for the employee share and the spouse's share. He stated that spouses needed to be eliminated from the county's health insurance plan. He stated that the county needed to follow the new federal rules, which state that spouses do not have to be covered. Comm. Stevens stated that the county should look at reducing the balance in the Debt Service Fund from 65% to 50%. He recommended that the expanded pay table be eliminated, and remove the 11 new SRO's from the budget as each elementary school already had an SRO that was shared with another school. He recommended that the two positions being absorbed in the Sheriff's Department budget from the Drug Fund become the two SRO's for the Stewart's Creek High School.

**Phillip Beyer, 1202 Sam Davis Road, Smyrna, TN 37167**

Mr. Beyer stated that the Town of Smyrna had approved a 20% increase in the property tax rate. He stated that the private sector that paid all of the county's bills was being burdened from small towns, cities, counties, state, and federal governments. They are working a half year to pay the governments' bills. He stated the county wanted more and more of the pie. He stated that the pie was getting smaller and smaller for the private sector. He stated that private property hardly existed any more. He stated that private property was being taken away by the governments. If someone pays off their property and retires what happens when the government keeps taking more and more of the pie. He stated that there were people in the audience, who worked for the county, and some of the people on the Budget Committee were voting on their own health care and their spouses' health care and that was not right. In his business, they had to cut not only salaries, but they went from paying half of the health insurance benefits to paying zero. The county needs to be good stewards over the private sector's money.

**Gabriel Fancher, 1546 Georgetown Lane, Murfreesboro, TN 37129**

Mr. Fancher stated that he owned two houses, and the property tax increase was concerning him. He stated that in Kentucky everything was taxed. Because of that, business was no longer moving to Kentucky. He stated that the governor talked about businesses moving to Tennessee. He stated that businesses were moving where they could pay lower taxes. Rutherford County has one of the highest property taxes in the state, and it was higher than all of the surrounding counties except for Davidson County. He stated that the businesses would go to Williamson County, because Williamson County kept their property taxes low. The issue was that property taxes were inefficient. Raising taxes took money out of the private sector; and therefore, it was not being spent locally. He stated that the proposal was a stop-gap plan. He stated that the costs needed to be cut. He recommended that the committee listen to Comm. Baum's plan, and that it was very fair and reasonable.

**Edward M. Phillips, Jr., 114 East McGuire Street, Bell Buckle, TN 37020**

Mr. Phillips thanked the committee for conducting the public hearing on the proposed 2013-14 budget. He stated that with the current property tax rate, the revenue was there. The revenue estimates were conservative enough that the actual revenue received was \$20 million over the

estimations. He asked the committee to prioritize and make cuts now, and if more revenue materialized down the road, the committee could decide on spending it at that time. La Vergne had a property tax increase two or three years ago. Smyrna just approved a 15 cents property tax increase, and now the county wanted to increase property taxes on everybody in the county. He asked the committee to make the tough decisions. He agreed that revenues should be budgeted conservatively. He asked that property taxes not be increased now, but look at cutting back and prioritize the line items that were cut. The items that Comm. Baum asked to be cut were worthwhile items, and there was not a person in attendance who would not agree that the men and women who were first responders deserved a pay increase. Mr. Phillips advised that he worked for the county, and he realized that Comm. Baum's proposal reflected cutting a pay increase for him, but he was fine with that, because he could not ask his neighbor to pay more property taxes so that he could receive a pay increase.

**Keith Rea, 3642 Southbend Drive, Murfreesboro, TN 37128**

Mr. Rea advised that concerned residents of Rutherford County had assembled at the public hearing to propose alternatives to a tax increase. He stated that they stood united in support of Comm. Baum's proposed budgetary amendments, which would make necessary cuts to some unnecessary expenditures. Their team had reviewed the budget, the budgetary process, the county commission process of budgetary preparation, and the mishandling of unspent revenue in the General Fund. They have concluded that a tax increase was not at all necessary as there was not a revenue shortage. The Rutherford County economy was strong, and it was still growing. There are multiple ways to balance the budget to prevent the tax increase. There are multiple unspent surplus revenue cash balances, which would be more than a sufficient stop-gap if not hidden from the budgetary process altogether. County and state elected officials are aware of all of the appropriate budgetary information, but still propose a tax increase. He asked the elected officials why they did not support a more transparent budgetary process. He asked commissioners why they proposed a tax increase when there were sufficient idle cash reserves. Why do commissioners not adopt the rules among their membership and call for a new state law that would prohibit, or at least curb, the current mishandling and wasteful process of hiding unspent revenue and private low return money market accounts? He supported remedies made by Dr. Todd, Comm. Baum and Comm. Stevens.

**Dorsey Meeks, 13702 Versailles Rd., Rockvale, TN 37153**

Mr. Meeks stated that he had been a resident of Rutherford County since 1969 and had owned rental property since 1985. One of his renters was an elderly lady on a fixed income. Another renter was a single mother of two children who worked for minimum wage. When the property taxes were increased, it also affected renters. They don't make a lot of money. He stated that he had come up to the square a lot lately, and he was trying to understand why a vice mayor had been hired for \$80,000 a year whose office was underneath the stairs in the Goldstein Building. He stated that he had worked as a supervisor for Cummings Sign for 12 years, 12 hours a day, six days per week. If he said he could not do his job he would be replaced. The Sheriff's Department is asking for 30 new vehicles, and the county was paying expenses for horses. He stated there had been no arrests made this year by the horse patrol. He stated that the officers were not required to have CIT training.

**Charles Redman, 1033 Gary Court, Murfreesboro, TN 37128**

Mr. Redman stated that he owned two properties. He commented about the 11 new SRO's for the Sheriff's Department and 30 new vehicles. He stated that Rutherford County still relied on volunteer firemen. They cover over 32,000 homes. They have vehicles that are 12 years old. A new rescue truck is being received from a grant, but he asked the committee to look at the firemen. He stated that the county needed paid firemen. He stated that he did not believe the taxpayers knew that the county relied on volunteer fire departments.

**Donald Todd, 633 Buck Lane, Murfreesboro, TN 37129**

Mr. Todd asked the committee to consider four major funds in Rutherford County, Tennessee. The total cash balance for all of them for unspent surplus revenue as of June 30, 2012 was nearly \$105 million. He asked why Rutherford County needed a tax increase for next fiscal year. Senator Campfield has recommended legislation that would make certain that counties in Tennessee be able to transfer an adequate balance of unspent surplus revenue to the annual

budget or the fund in the budget showing a shortfall to prevent a tax increase. He suggested that Rutherford County stop the bank investments legally in order to be able to transfer an adequate amount of surplus revenue to the funds showing a shortfall. He stated that the County Commission had not been given the opportunity to vote on how to make use of unspent surplus revenue. At the present time, the county has a total balance of \$39 million in CD investments and money market savings in the banks. He stated that the county could easily implement an early withdrawal of part of the money and avoid a tax increase.

**April Harrell, 7518 Greenway Drive, Murfreesboro, TN 37130**

Ms. Harrell stated that she agreed with everything that everyone had said so far. She agreed with Comm. Baum's budget. She stated that she wanted to talk about education. She stated that the School Board had not listened to ideas on how to cut their budget. She stated that it had been mentioned to one of the board members that citizens would be willing to pay more in property taxes if the school board would cut their ties with federal and state funding. The board refused to do so. With receiving state and federal funding, the School Board will have to implement the Common Core Program, which will require by 2014, the citizens to fund all of the books and computers. The Common Core will require all schools to implement it. It will cost more money than what was presently being funded. They should cut their ties with state and federal funding and not implement Common Core since the legislators did not know it existed and did not accept it, but the school board did accept it without knowing what was involved and how much money it was going to cost. It will cost at least double next year.

**Jeff Rainwater, 1030 Brinxton Run, Murfreesboro, TN 37128**

Mr. Rainwater advised that he also owned another home in Murfreesboro, and he was very interested in the property tax increase. He was not concerned about what was being proposed to be spent on schools. He agreed with the cost per student. He stated that he was concerned about the General Fund increasing from \$76 million to \$82 million, and said that it was getting out of control. He was concerned about the amount of fund balance that was being used. The county did not need to pay increases in health insurance. No other company around is doing that. The costs should be passed along and everyone should be responsible. The county should get out of the pension plan, stop unfunded liabilities, and get into a plan like a 401k. He was concerned about the General Fund absorbing officers that were part of the Drug Fund. In the private sector, if positions could not be afforded there was a reduction in force. The use of \$21 million from fund balance was unsustainable.

**Barry Hudgins, 2326 Nickajack Trail, Murfreesboro, TN 37127**

He commented that the Finance Director's presentation was very good. In terms of comparing last fiscal year to the 2013-14 fiscal year, there was an increase of approximately 14% to 16% in liabilities and that was strictly for salaries and benefits. Mr. Hudgins stated that he had lived in Rutherford County for about 10 years, and every year his property taxes went up. In the last four years, the value of his house has not increased. Tennessee as a state has the highest state and local tax rate in the country. The mean tax base for all of the counties in Tennessee is \$935. Rutherford County's is \$1,155. He asked the committee if they were citizens or government people. In this nation, the government class was becoming a class instead of being citizens. He appealed to the committee as citizens to think about the budget proposal in terms of citizens. Mr. Hudgins stated that he was not able to go to somebody else and get money when he could not meet his bills. He had to cut somewhere. Government should be no different. The committee members were representatives of the people. He stated to the committee that if they were citizens he would like to see that side of them.

**Jeremy Near, 5207 Camellia View Way, Smyrna, TN 37167**

Mr. Near stated that last November he and his family fled New York State for multiple reasons. One reason was because of taxes. He stated that he agreed with everything that had been said so far. He stated that the meeting was like dejavu to him. He stated that he thought he was leaving higher taxes when he left New York. If people want to see what really destroys a town, a county, and a state, they would have to look no further than the town that he left. The property taxes on a 2,000 square foot house located on a one-fourth acre lot ranged from \$6,500 to \$9,000. That would be close to unsustainable for a household with two people and their incomes let along a single mom, a single dad, or someone on a fixed income. He has seen it first-hand, and it was

not a direction that the county would want to go in. Rutherford County was not at that point, yet, but he has seen the progression first-hand. He asked the committee to address spending instead of tax hikes.

**Scott Lewis, 116 Wagon Trail, Murfreesboro, TN 37128**

Mr. Lewis commented that he appreciated the opportunity to speak and to have an open debate about the budget. He stated that he appreciated everyone's opinions and that he knew people were passionate about their beliefs. His wife is a teacher in Rutherford County. After the Newtown shooting, she came home crying for days. He stated that every school did have an SRO, but they were only at the school for three days a week. Hopefully, if anyone was going to do anything bad at the school, they would pick one of the days when an SRO was at the school. He stated there was a lot being said about leadership and that it was time for the commissioners to stand up and lead, but sometimes making the hard decisions are the things that are not popular. Not many people run in an election and state that they want to raise taxes. He stated that was not a popular thing, and he did not think that the tax burden in Rutherford County or in Tennessee was too high. There was no state income tax in Tennessee like New York. There is a high sales tax, but that is what it is. He did not think that the extra \$30, \$50, or \$100 per year depending on the value of a home was going to make or break many people. He understood it might be a hardship for some people, but he thought that most people would be able to handle it. Making the harder decisions and leading was sometimes doing what was best for the county even though the louder majority may disagree with it. Having taxes was part of living in a civilized society. There has not been a property tax increase since 2009. Cuts could not continue to be made every single year. Things cost more money, buildings need to be repaired, and vehicles need to be replaced.

**Jake Robinson, 5128 McArthur Avenue, Murfreesboro, TN 37129**

Mr. Robinson stated that it was dejavu all over again, because in 2008 he stood before the Budget Committee with fewer people present to talk about the property tax increase then. There was another property tax increase in 2009. In between, there have been property assessments, which results in a hidden property tax increase when the value of the property is increased even though there is not a property tax increase. He stated that when he moved back to the United States from England, he got involved in local politics and wanted to offer suggestions. He has done a lot of research about how municipalities can get by when they cannot figure out how to pay their bills. He stated there were a lot of creative strategies and tactics available. He stated that other municipalities have figured out how to provide services without raising taxes. He asked the committee to show some fortitude and do the tough thing. He asked the committee to listen to Comm. Baum's suggestions. He stated that there had never been a cut in the budget. His wife is an elected official, and she has been able to reduce her budget three years in a row. He stated that it could be done across the county. He asked why across-the-board pay raises were needed. He stated that the reason was given that Rutherford County had to keep up with other counties and remain competitive. He asked when that became a priority.

**Kathy McMahan, 1401 East Northfield Blvd., Murfreesboro, TN 37130**

Ms. McMahan commented that Rutherford County was a great place to live. She is a graduate of Smyrna High School, and she remembers when ambulances had to come from Murfreesboro to Smyrna to take people to the hospital. She stated that she was thrilled that Rutherford County had a great ambulance service. She is thrilled that Rutherford County had a county fire department even though she lives in the city. She remembers when there was very little that a county fire department could do. She stated that Rutherford County was building a fire department, and she realized that it was going to cost something to get it going. She asked the committee to please continue to move the county forward. Rutherford County was growing, and growth did not pay for itself. Children are precious. Her children graduated from Oakland High School, and they have had opportunities. She wanted the future children to also have opportunities. She wants the people who will be overseeing Rutherford County in the future to be well-educated. She wants Rutherford County to be wonderful, and that the education system was educating children with very high test scores, and were doing it well-below the state average cost per student. She asked the county to please continue to support the School Board. She has been to many meetings and has heard the review process. She has seen department heads go before the Budget Committee and ask for more money for their departments. She has heard the

mayor's explanation for most departmental budgets. She was satisfied with the Budget Committee's review process. She stated that she did not always agree with the committee, but the committee listens and they listen to each other in a civil manner. As a retired school teacher, she stated that she wanted SRO's in every elementary school in Rutherford County. Part time was not enough anymore. Sometimes it was children, who did a few things, and sometimes it was parents, but there was really no protection from anyone who might walk in off the street. She stated that she owned only one house in the county.

**Derek Englett, 110 Aretha Court, Murfreesboro, TN 37128**

Mr. Englett stated that he was probably the youngest person present, and he thanked the committee for holding the public hearing. He has only been working for five years, but at his company when times got hard, bonuses were cut, and even office supplies were cut. He paid for all of his education himself, and he is continuing to pay for it. If he can squeeze money from his personal budget to pay off half of his \$40,000 student loan in less than five years, he believed the county could do the same and find somewhere to make cuts. At his work, he has a 401k, and the company contributes a four percent match. If that was good enough for the private sector, it should be good enough for government officials.

**Robert Stroop, 2712 Highland Park Drive, Murfreesboro, TN 37129**

Mr. Stroop stated that he was born and raised in Rutherford County. He stated that he wanted to talk about renters. He advised that he owned two apartment complexes, and property taxes were not a problem for him. The people who rent from him suffer, and they were barely able to make ends meet. He has not increased his rent in several years. Most other landlords do increase their rent when property taxes increase. If property taxes are increased this year, he probably will not increase his rent. He asked that renters be taken into consideration. They suffer the same as if they were paying property taxes, because generally rent is increased.

**James Page, La Vergne, TN**

He commented that when people are elected he trusts them to do their work. He stated that he believed the budget details missed the point and the focus of what was being done. In his personal life, if he does not have the money, he does not buy something. If his bills are more than his income, he cannot go to his boss and demand a pay increase. He stated that he had been married 25 years and only had one income. He stated that he was a paycheck to paycheck family. He has homeschooled his children for almost 20 years. He stated that it would be easy to keep public schools safe if you get past political correctness. Typically, when politicians in history have been forced to not allow a tax increase, they make those choices as painful as possible on the people, and view the citizens as peasants. He put his house on the market yesterday.

**Emily Mitchell, 2626 Big Eagle Trail, Murfreesboro, TN 37127**

Ms. Mitchell advised that she was a Rutherford County teacher. She commented that she was not present to demand that everything be provided for her. She advocated for her students that they deserved the best that could be offered for them in Rutherford County. They are the future of the county. Providing the best education for students was important to her and the best safety and security.

**Mark Swicord, 2841 Waywood Drive, Murfreesboro, TN 37128**

Mr. Swicord advised that he was a relatively new resident to the county. He is trying to become more involved, and he was a recent graduate of the City of Murfreesboro Citizens Academy and the Sheriff's Academy. He came to the public hearing to gather information. He had mixed emotions and mixed opinions about what was going on. He stated that Rutherford County was a very strong county and was nationally recognized. He stated that the growth in the county was a good thing, but the expenses of the county had to remain in proportion to the growth. As the county grows the expenses are going to increase, but the county needs to make sure that the tax increases do not get too far ahead of what the growth is. He has seen opportunities for savings. He stated that there had been a lot of talk about health insurance, and everyone was facing that nationally. Funding for the family portion of the health insurance and even the employee portion was out of proportion to what is seen in private industry, and needed to be reconsidered. The pension plan needed to be re-evaluated. He has an emergency services background, and he saw a



huge opportunity in the 911 system. He stated that there was a 911 system in the city, the Ambulance Service operates a 911 system, and there was a 911 system that the Sheriff's Department operated. He stated that all of those people should be located in one 911 center together to include the City of La Vergne and Smyrna. He stated that was a duplication of services and costs. He stated that a lot of money was spent on the jail. He stated that there was one set of operations for the Juvenile Justice Program, separate operations to feed the jail, and separate operations for the Workhouse. He stated that all of those operations needed to be consolidated under one single operation. As far as education, he stated that he agreed with the funding for students.

**Jacob Bogle, 1211 Hazelwood Street, Murfreesboro, TN 37130**

Mr. Bogle stated that it seemed as though when government asked for money, it was always for the children. On a national level, since 1970, the amount of money spent on education had tripled, but test scores had remained flat. More money did not equal better education. As for security, no government could stop an individual from barging into a school and doing something bad. He stated that citizens were being taxed to death little by little. With the national debt, state debt and local debt, every person in attendance, plus their children and grandchildren were \$58,000 in debt just for public debt. He asked when it was enough.

**Mac Nolen, 831 Allen Road, Murfreesboro, TN 37129**

Mr. Nolen commented that enough would be enough when parents started being parents, people took responsibility for their actions, and the government did not have to do it for them.

**Comm. Robert Stevens**

Comm. Stevens commented that cutting copiers and miscellaneous items would not solve the problem. It would take eliminating big items in the budget to solve the problem. The pension system for all new hires needed to be eliminated. Over 20 or 30 years, if Rutherford County stopped paying 12.5% into the pension system and implemented a four percent match on a 401k plan, it would save millions of dollars. The employees who did not stay with the county for 20 or 30 years could take their 401k with them as opposed to not getting anything from the pension until they were 60 years of age. The State of Tennessee retirement system was one of the most conservatively managed systems in the nation, but it was only approximately 81% funded. Seven local governments have already pulled out of the Tennessee Consolidated Retirement System. Comm. Stevens said that the county needed to look at reforming the health insurance plan to make it less costly to the taxpayers including creating an incentive so that spouses would get insurance from their own employer or through a private plan. The Ambulance Service has a Community Outreach Coordinator position that makes approximately \$60,000. Including benefits the pay equals approximately \$80,000 or \$90,000. Comm. Stevens stated that the position could be cut, because it was not critical to the operations of the Ambulance Service. He also recommended cutting the expanded pay table, eliminating or reducing the SRO proposal, and keeping the drug positions in the Drug Fund.

**Phillip Beyer**

Mr. Beyer commented that when people come up to the podium, they should announce immediately if they work for the county or if they work in the private sector. Mr. Beyer stated that he worked in the private sector. He asked the committee to stay within the current budget not the proposed budget.

**Kathy McMahan**

Ms. McMahan commented that she, too, lived on a budget. She has watched the county deal with the health insurance this year, and she knew that the insurance plans had been changed. She knew that the county would face trouble when employees realized how much the insurance had been reduced this year. She appreciated the county doing what it needed to do. She wanted people to know that the county was looking at that. She wanted people to think about the emergency vehicles. She stated that there were a lot of Sheriff's Department vehicles and also vehicles in other departments that were very old and had a lot of mileage on them. She asked the committee to stick to their proposal.

**Jeff Rainwater**

Mr. Rainwater commented about the amount of money being proposed for the SRO's. He stated that this came as a knee-jerk reaction from Sandy Hook, and was not rational. He stated that one SRO inside a school could not change a shooter situation. He stated that ultimately, the best thing to do was lock the door.

**Gabriel Fancher**

Mr. Fancher stated that he did not think that most people knew exactly how expensive a pension was. He stated that he had talked to a lady whose pension was worth about \$80,000, and she was going to draw approximately \$170 per month. The average person would net approximately \$37,000 annually from their pension. The future pension liability was huge.

**Sheriff Robert Arnold**

Sheriff Arnold stated that if there had been an SRO at Sandy Hook there would have been a lot fewer children killed. He stated that he was former SRO and had been in a situation where he thought shots were fired. He stated if an SRO only saved one child's life, it would have been worth it. He stated that he would lay down his life in a school to save one child. He did not request additional funding for the SRO's, but he supported it 100%.

**Scott Lewis**

Mr. Lewis advised that his wife was a county employee and he worked for a private entity. His wife is on his health insurance plan. He reiterated what Sheriff Arnold said, and asked how much money was worth a child's life. He agreed with funding for the SRO's. He stated that teachers and students should not fear every day for their safety. He supported the ten cents property tax increase. He stated that he believed the county should accept the proposal.

**Jeremy Near**

The town that he left in New York had approximately 5,500 students. The town spent \$88 million on the school system. That averages a cost of \$16,000 per student. The education system there was no better than the school system in Utah which has an average cost of \$8,000 per student. He stated that higher spending did not equal better education.

**Jake Robinson**

Mr. Robinson stated that just because there had not been a property tax increase since 2009, the budget had increased every year and more money had been spent every year. The 21% that was being taken from the rainy day funds was the equivalent of 21% overspending on top of the 10 cents property tax increase. He asked county officials to be responsible with the money.

**Ed Phillips, Jr.**

Mr. Phillips thanked everyone for coming to the public hearing. He said that doing the same thing over and over again and expecting the same results was insanity. He stated that the current revenue collections were \$20 million more than what was estimated. He asked the committee to prioritize and cut things back. He stated that Comm. Baum's proposal would cut back the growth.

**Mark Swicord**

Mr. Swicord commented about the reserve funds. He stated that it was great that the county had a rainy day fund. That money should not be used for daily operations. It must be used as a contingency emergency fund. He stated that he had a daughter entering the school system, and he was interested in the SRO program. He stated that an SRO would not have stopped Sandy Hook, but it would have made an impact. Having an officer in the school would make a difference not only from a safety standpoint but from a citizens' standpoint. Many children do not have a father figure or a good home life, and seeing a person of authority in the school system makes a huge impact on the children. He thought that the county should move forward with the SRO program. Mr. Swicord commented about a program in Georgia whereby an additional amount was added to the sales tax to provide funding for special projects.

**April Harrell**

Ms. Harrell advised that she homeschooled her children, because the academics in the public schools were very poor. Due to teaching her daughter and her academy teacher, her daughter will be graduating two years early. She stated that the school system refused IQ tests for her daughter. She was told that her daughter could not pass the TCAP exam without a calculator. Her daughter proved them wrong two years in a row scoring advanced in math for two years. Common Core is not a good education system. University professors who helped create Common Core will not sign off on it, because it is not better. The Rutherford County School System is proposing a 1.5% pay increase for teachers, but with Common Core they will be teaching less. Common Core will create a system whereby the teachers will become facilitators not teachers, because everything will be computerized.

**ADJOURNMENT:**

Chairman Ealy thanked those in attendance. She stated that it was gratifying to see people participate in the process.

The next Budget Committee meeting will be Wednesday, June 19 at 5:30 P.M. to review the budget and to consider the public comments.

The budget is scheduled to be adopted by the County Commission on Friday, June 28 at 9:00 A.M.

There being no other comments and no other business, Chairman Ealy declared the public hearing adjourned at 9:00 P.M.

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Elaine Short, Secretary